



ORDER NUMBER
G-389-21

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project

BEFORE:

R. I. Mason, Panel Chair
E. B. Lockhart, Commissioner

on December 22, 2021

ORDER

WHEREAS:

- A. On May 5, 2021, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for FEI's Advanced Metering Infrastructure (AMI) Project (Application);
- B. The AMI Project includes the following:
 - 1. Installation of approximately 1,100,000 residential, commercial, and industrial advanced meters and meter retrofits of communication modules capable of remote gas consumption measurement;
 - 2. Installation of approximately 1,100 communication modules on the gas network to increase operational awareness of the gas system state; and
 - 3. Installation of the AMI network and infrastructure to communicate with customer meters and other communication modules on the FEI gas network;
- C. In the Application, FEI also requests approval, pursuant to sections 59 to 61 of the UCA, to create four new asset accounts with associated depreciation and net salvage rates for the proposed meters to be installed as part of the AMI Project, as follows:
 - 1. 478-10 / AMI Meter Hardware, with a depreciation rate set to 5 percent, with no net salvage;
 - 2. 474-00 / AMI Meter Installation, with a depreciation rate set to 5 percent, with 1.58 percent net salvage;
 - 3. 402-06 / AMI Software, with a depreciation rate set to 10 percent; and
 - 4. 488-30 / AMI Communications and Equipment, with a depreciation rate set to 6.67 percent, with no net salvage;

- D. FEI also seeks approval, pursuant to sections 59 to 61 of the UCA, to create four new deferral accounts as follows:
1. A non rate base AMI Application and Feasibility cost deferral account attracting a weighted average cost of capital return until it is placed into rate base, to capture development and application costs for the AMI Project, to be amortized over 3 years;
 2. A non rate base AMI Foreign Exchange (FX) Mark to Market Valuation deferral account to isolate the impact of any foreign exchange hedging used to reduce foreign exchange risk of the AMI Project;
 3. A rate base Existing Meter Cost Recovery deferral account to capture the remaining costs of the meters to be exchanged as part of the AMI Project with a rolling 5 year amortization period; and
 4. A rate base Previously Retired Meter Cost Recovery deferral account to capture the remaining rate base value of previously retired meters with an amortization period of 10 years;
- E. On July 6, 2021, by Order G-204-21, the BCUC established a public hearing and regulatory timetable;
- F. By Orders G-269-21, G-302-21, G-323-21 and G-365-21, the BCUC amended the regulatory timetable;
- G. On December 16, 2021, the Coalition for the Reduction of Electropollution (CORE) filed a request for an extension to the deadline for Information Request No. 2 to FEI from December 22, 2021 to January 15, 2022;
- H. By letter dated December 16, 2021, the BCUC requested submissions from parties on CORE's request for an extension, and invited CORE to file its reply submission; and
- I. The BCUC has reviewed the submissions and determines that an amendment to the regulatory timetable is warranted.

NOW THEREFORE for reasons to follow, the BCUC amends the regulatory timetable, as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of December 2021.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project

REGULATORY TIMETABLE

Action		Date (2021)
Intervener Written Submissions on Date of Procedural Conference		Wednesday, December 22
BCUC Information Request (IR) No. 2 to FEI		Wednesday, December 22
Action		Date (2022)
Intervener IR No. 2 to FEI		Thursday, January 13
FEI responses to BCUC and Intervener IRs No. 2		Thursday, February 17
Intervener Submissions on Scope of Intervener Evidence		Thursday, March 3
Procedural Conference on Scope of Intervener Evidence*		Friday, March 11, 9:00 am
Further Process		To be determined

*Format to be determined.

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project

REASONS FOR DECISION

1.0 Introduction

On December 16, 2021, the Coalition for the Reduction of Electropollution (CORE) filed a request for an extension to the deadline for Information Request (IR) No. 2 to FortisBC Energy Inc (FEI) from December 22, 2021 to January 15, 2022.

2.0 Background

On May 5, 2021, FEI filed an application with the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for FEI's Advanced Metering Infrastructure (AMI) Project (Application). The AMI Project includes the following:

- Installation of approximately 1,100,000 residential, commercial, and industrial advanced meters and meter retrofits of communication modules capable of remote gas consumption measurement;
- Installation of approximately 1,100 communication modules on the gas network to increase operational awareness of the gas system state; and
- Installation of the AMI network and infrastructure to communicate with customer meters and other communication modules on the FEI gas network.

In the Application, FEI also requests approval, pursuant to sections 59 to 61 of the UCA, to create four new asset accounts with associated depreciation and net salvage rates for the proposed meters to be installed as part of the AMI Project, as follows:

- 478-10 / AMI Meter Hardware, with a depreciation rate set to 5 percent, with no net salvage;
- 474-00 / AMI Meter Installation, with a depreciation rate set to 5 percent, with 1.58 percent net salvage;
- 402-06 / AMI Software, with a depreciation rate set to 10 percent; and
- 488-30 / AMI Communications and Equipment, with a depreciation rate set to 6.67 percent, with no net salvage.

FEI also seeks approval, pursuant to sections 59 to 61 of the UCA, to create four new deferral accounts as follows:

- A non rate base AMI Application and Feasibility cost deferral account attracting a weighted average cost of capital return until it is placed into rate base, to capture development and application costs for the AMI Project, to be amortized over 3 years;
- A non rate base AMI Foreign Exchange (FX) Mark to Market Valuation deferral account to isolate the impact of any foreign exchange hedging used to reduce foreign exchange risk of the AMI Project;
- A rate base Existing Meter Cost Recovery deferral account to capture the remaining costs of the meters to be exchanged as part of the AMI Project with a rolling 5 year amortization period; and

- A rate base Previously Retired Meter Cost Recovery deferral account to capture the remaining rate base value of previously retired meters with an amortization period of 10 years;

By Order G-204-21, dated July 6, 2021, the BCUC established a public hearing process for the review of the Application which included, among other things, public notice, intervener registration, BCUC and intervener IR No. 1, FEI responses to IRs No. 1 and submissions on further process scheduled for November 3, 2021. By Order G-269-21, dated September 13, 2021, the BCUC amended the date for submissions on further process to November 5, 2021. By Order G-302-21 dated October 21, 2021, the BCUC further amended this date to November 9, 2021.

By letter dated October 22, 2021, CORE requested an extension to the deadline for the submissions on further process, to November 24, 2021.¹ By Order G-232-21, dated November 8, 2021, the BCUC granted the extension for all parties. By Order G-365-21 dated December 9, 2021, the BCUC amended the regulatory timetable.

On December 16, 2021, CORE filed a request for an extension to the deadline for IR No. 2 to FEI from December 22, 2021 to January 15, 2022.

By letter dated December 16, 2021, the BCUC requested submissions from parties on CORE's request for an extension and invited CORE to file its reply submission.

3.0 Submissions

By letter dated December 16, 2021, CORE requested an extension to the deadline for filing its IR No. 2 to FEI from December 22, 2021 to January 15, 2022. CORE submitted the December 22, 2021 deadline was unreasonable given the coming holiday break. Further, CORE stated that several CORE IRs will require the assistance of expert consultants, from whom it is still waiting to hear.²

By letter dated December 17, 2021, FEI responded to CORE's request for an extension. In response to CORE's submission that the December 22, 2021 deadline for IR No. 2 is unreasonable, FEI submits that the deadline is the same for both BCUC and intervener IRs, that the intention is to test the evidence on the record rather than introduce new evidence, and that there has been almost two months since the filing of responses to IR No. 1 on October 26, 2021. FEI submits that the scope of a second round of IRs is typically for the purpose of clarifying information obtained through the first round of IRs rather than questioning entirely new subject areas. Further, FEI submits CORE did not indicate in its submissions on further process that it would require more time, stating in contradiction that it would move with dispatch. FEI characterizes CORE as having developed a pattern of seeking extensions in this proceeding. FEI submits that in an earlier request for extension to the deadline for submissions on further process, CORE stated it requires more time to consult with potential expert consultants and now CORE submits it is still waiting to hear back from several potential expert consultants. However, FEI submits that if the BCUC finds it reasonable to extend the deadline for submissions of IR No. 2 to FEI, FEI would request a similar extension to the deadline for its responses.³

In reply to CORE's request, by letter dated December 19, 2021, British Columbia Sustainable Energy Association (BCSEA) states it is in favour of a bifurcated solution which maintains the December 22, 2021 deadline for IR No. 2 to FEI for the BCUC and all interveners except CORE, and FEI's responses to those IRs should remain due by February 9, 2022. BCSEA submits that if the BCUC determines that CORE's deadline for its IR No. 2 to FEI should

¹ Exhibit C7-4.

² Exhibit C7-7.

³ Exhibit B-15.

be extended to January 15, 2022 then FEI's deadline for its response to CORE's IR No. 2 should be extended commensurately. BCSEA does not support an extension of the deadline for submissions to IR No. 2 applying to all interveners and BCUC staff. BCSEA states it is concerned with maintaining the date for the procedural conference on March 11, 2022.⁴

By letter dated December 20, 2021, Residential Consumer Intervener Association (RCIA) states it is in agreement with BCSEA's view on a bifurcated approach and reiterates support for a procedural outcome that maintains the procedural conference date of March 11, 2022.⁵

By letter dated December 20, 2021, British Columbia Old Age Pensioners' Association, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and Tenants Resource and Advisory Centre (collectively, BCOAPO) submits it does not object to CORE's request for an extension to the deadline for IR No. 2 to FEI. BCOAPO submits it is of the view that all intervener IRs should be submitted on the same schedule except in extraordinary circumstances. BCOAPO submits if the BCUC were to grant CORE's extension request, the deadline for BCUC IRs should remain as December 22, 2021. BCOAPO further submits that if the deadlines for IR No. 2 are extended, the deadlines for submissions on the scope of intervener evidence should be similarly extended, to give interveners time to assess the record, determine whether intervener evidence is necessary, and minimize the need for any further changes to the regulatory timetable moving forward.⁶

By letter dated December 20, 2021, CORE responded to FEI and BCSEA's submissions, stating that it is CORE's intention to ensure the BCUC has a robust evidentiary record before it is to determine whether FEI's proposed AMI Project is in the public interest. CORE further submits it has no intention of introducing new evidence to the record through its second round of IRs. CORE submits that the narrowed scope of the second round of IRs implied by FEI's submissions was not outlined by the BCUC. CORE submits that since the BCUC did not restrict interveners on the topics to be canvassed in the second round of IRs, while it could have done so, interveners need not restrict themselves to similar topics as they pursued in the first round of IRs. CORE states that although it stated in its submissions on further process that it could move quickly, CORE did not anticipate the BCUC setting a deadline for IR No. 2 during the 'busy holiday period.' In response to FEI's assertion that CORE has a pattern of applying for extensions, CORE submits it has only applied once for an extension, which was granted, and that this does not indicate a pattern. CORE submits it agrees with FEI's submission that any extension granted to the submissions of IRs be similarly granted to FEI in the filing of its responses. In response to BCSEA's submission, CORE submits it agrees with the BCSEA's proposed bifurcated approach to the IR No. 2 deadline.⁷

4.0 Panel Determination

The Panel determines that it is appropriate to extend the deadline for all interveners to submit their second round of IRs from December 22, 2021 to January 13, 2022. In making this determination, the Panel seeks to provide CORE sufficient time to participate meaningfully in the proceeding while not delaying the proceeding unnecessarily.

⁴ Exhibit C2-5.

⁵ Exhibit C1-8.

⁶ Exhibit C3-8.

⁷ Exhibit C7-8.

The Panel does not consider that December 22, 2021 is an unreasonable date for submissions, as it is not in the “busy Christmas holiday period.”⁸ Rather, a submission date of December 22, 2021 anticipates that work will be completed prior to the Christmas holiday period.

That said, CORE submits it is not able to obtain the assistance of its experts to complete its IRs by December 22. The Panel wishes to ensure CORE has this opportunity, and that the following changes to the regulatory timetable allow a reasonable amount of additional time for CORE to consult its experts while preserving the March 11, 2022 date for the procedural conference, thus not delaying the overall schedule for the proceeding.

The extension granted for interveners’ submissions of IR No. 2 from December 22, 2021 to January 13, 2022 is fourteen working days excluding the two statutory holidays on December 25 (taken December 27) and January 1 (taken January 3). However, given the likelihood of vacations on December 24, 28, 29, 30 and 31 the extension is in effect nine working days. The Panel considers this a reasonable period of additional time for CORE to consult its experts and is only one working day less than CORE requested, as January 15, 2022 is a Saturday.

The Panel also consider that January 13, 2022 is more appropriate for IR No. 2 submissions than January 14, 2022. January 13, 2022 is a Thursday which allows the IR request to be posted on January 14, 2022. January 15, 2022 being a Saturday would mean the IR request would not be posted until Monday, January 17, 2022, the next working day, putting at risk the March 11, 2022 date for the procedural conference.

The Panel grants the extension for the date for IR No. 2 to all interveners. Those interveners who wish to submit IRs on the original date of December 22, 2021 are welcome to do so, but the Panel considers it unfair to extend the schedule for this non-trivial period for just one intervenor.

The Panel also extends the deadline for FEI to respond to IR No. 2 requests from February 9, 2022 to February 17, 2022. This extension is an additional six working days; less than the nine working days granted to interveners to submit their IRs. However, FEI will have the BCUC’s IRs on the original schedule of December 22, 2021 and may start work on those immediately. FEI may also request an extension if it requires more time, although any such extension may put at risk the March 11, 2022 date for the procedural conference.

The date for intervenor submissions on the scope of intervenor evidence is extended from February 21, 2022 to March 3, 2022; seven working days, excluding the February 21, 2022 statutory holiday. The Panel considers that five working days from receipt of these submissions is sufficient for FEI and interveners to analyze them and prepare their submissions at the March 11, 2022 procedural conference.

The procedural conference remains scheduled for March 11, 2022.

Other issues arising

FEI submits that a second round of IRs “should typically be for the purpose of clarifying or following up on first round responses rather than being a substantially new endeavour.”⁹ While this may be “typical,” interveners in this proceeding are not restricted to asking only follow-up questions in subsequent IR rounds. However, the Panel expects all interveners to be efficient in their questioning, and there will not be unlimited opportunities for further questioning in this proceeding.

⁸ Exhibit C7-8, p. 3.

⁹ Exhibit B-15, p. 1.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of January 2022.

Original signed by:

R. I. Mason
Panel Chair/Commissioner

Original signed by:

E. B. Lockhart
Commissioner